



#HEDGE PAPERS NO.1: LEONARD LITWIN

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100-year-old Leonard Litwin, owner of Glenwood Management, is one of the most well-known residential developers in New York, not only for his opulent Manhattan high-rises, but for his recently reported connections to Sheldon Silver and Governor Andrew Cuomo, both whom have been financial recipients of Glenwood's in exchange for seemingly favorable tax and government treatment.^[1]

Recent reports have widely uncovered Litwin as one of the unnamed developers who made potentially unlawful payments to Sheldon Silver's law firm, Goldberg & Iryami, for its tax appeal work.^[2]

Litwin's alleged role in the Sheldon Silver scandal is the third New York bribery scandal involving payments by Litwin.

Litwin also happens to be Governor Andrew Cuomo's largest political donor. Our analysis shows that Litwin and his associated subsidiaries and business partners have given more than \$1.2 million directly to Governor Cuomo since 2008, on top of the \$200,000 they contributed to Cuomo's controlled housekeeping slush fund.

Our investigation illustrates that Litwin has a history of using creative tactics —alleged at times to include outright bribery— to influence politicians in ways that benefit his company.



AN IN-DEPTH ANALYSIS OF GLENWOOD'S CAMPAIGN CONTRIBUTIONS TO DATE SHOWS THE DEPTH OF LITWIN'S POLITICAL INFLUENCE:

Our analysis of Litwin's contributions contains information from Glenwood senior executives, their spouses, LLCs controlled by Glenwood, and Litwin himself. Litwin and Glenwood have contributed \$1,214,200 to Andrew Cuomo since 2008, in addition to giving \$200,000 to the New York State Democratic Committee's housekeeping fund, a soft-money vehicle that has been critiqued as little more than Cuomo's slush fund.^[3]

This arrangement has greatly benefited Glenwood Management, which received controversial 421a tax breaks from Cuomo-backed legislation, and recently secured a \$260 million subsidized loan from the Cuomo controlled New York State Housing Finance Agency.

Cuomo is also reported to have begun interfering with the Moreland Commission after they attempted to subpoena the Real Estate Board of New York, of which Litwin is the lifetime honorary chairman.^[4]





GLENWOOD'S DEALS WITH SHELDON SILVER WERE A DRIVING FACTOR BEHIND HIS INDICTMENT:

The New York Times reported that Litwin's Glenwood Management was one of two firms cited, but not explicitly named, in the complaint against former Assembly Speaker Sheldon Silver.^[5] According to *the Times*, Glenwood was one of two developers who hired the law firm of Goldberg & Iryami, where Silver was employed, to do tax appeal work. Sheldon Silver received a total of \$700,000 from the two firms.

Glenwood reportedly accounted for one third of Goldberg & Iryami's revenue in 2011. At the same time, Glenwood was reported to be aggressively lobbying the state legislature.^[6]





LITWIN WAS THE LARGEST CONTRIBUTOR TO GOVERNOR CUOMO IN THE LAST ELECTION CYCLE, USING A LOOPHOLE CRITIQUED BY THE PRELIMINARY REPORT OF THE MORELAND COMMISSION:

Litwin and his affiliated LLCs gave Cuomo \$1 million in the most recent cycle alone—making him Cuomo’s largest donor.^[7] Litwin’s LLCs were among the 1,713 LLCs who donated to Andrew Cuomo between 2009 and 2015. Wealthy donors are able to legally exceed campaign donor caps by making donations through limited liability companies, which can also serve to obscure the true identity of the donors.^[8] The Moreland Commission’s preliminary report, issued before the commission was disbanded by Cuomo, identified the LLC loophole as contributing to corruption in Albany. Among the recommendations in the preliminary report, the Commission “recommend closing the so-called ‘LLC loophole’ that allows certain, easily-formed companies to make contributions of up to \$150,000.”^[9]



IN THE MOST RECENT FILING PERIOD, LITWIN'S COMPANY HAD RETAINED EIGHT LOBBYING FIRMS TO LOBBY ON 58 PIECES OF LEGISLATION:

Litwin's lobbying included paying nearly \$500,000 in retainer to eight firms in just one six-month period. [\[10\]](#)

Lobbyist	Retainer
CARL ANDREWS & ASSOCIATES, INC.	\$72,000
EMPIRE STRATEGIC PLANNING INC	\$72,000
LIEBERMAN, MARK L.	\$45,000
MEARA, BRIAN R. PUBLIC RELATIONS, INC.	\$60,000
PITTA BISHOP DEL GIORNO & GIBLIN LLC	\$75,000
RUNES, RICHARD	\$60,000
SANZILLO, FRANCIS J. & ASSOCIATES	\$45,000
STATE & BROADWAY, INC.	\$42,000



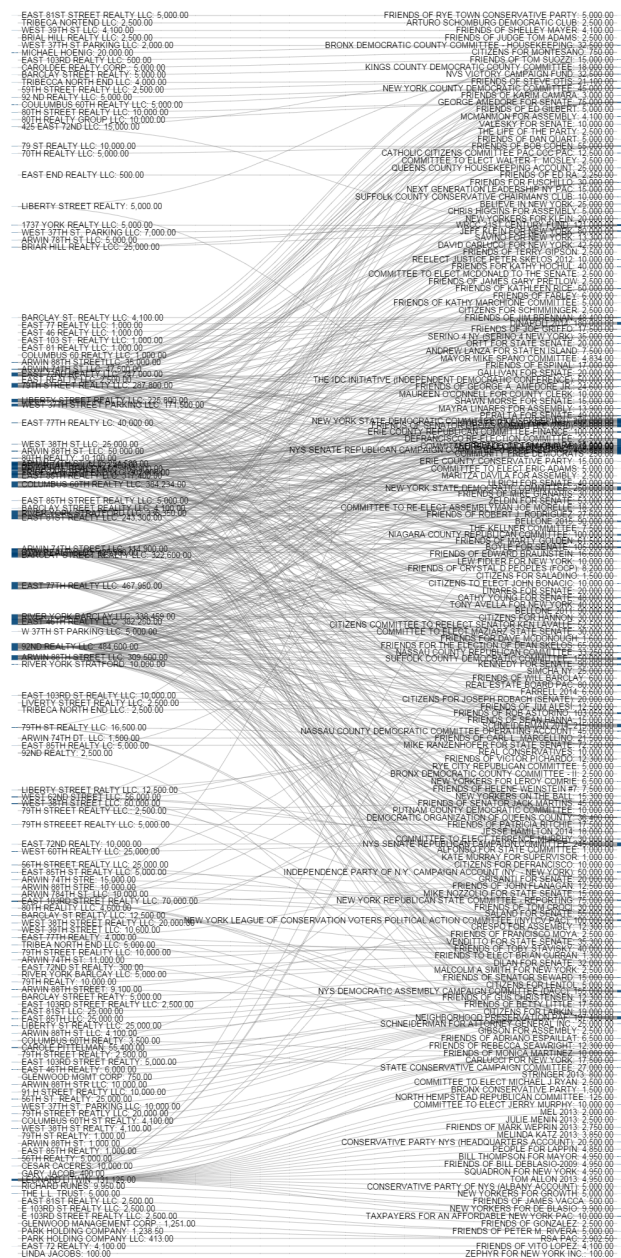


LITWIN'S DEVELOPMENTS WERE THE SINGLE LARGEST BENEFICIARY OF THE STATE'S ALLOCATION UNDER THE LIBERTY BOND PROGRAM—A TAX-PAYER FINANCED PROGRAM USED TO REBUILD AFTER SEPTEMBER 11:

After September 11, subsidized, tax-free bonds called Liberty Bonds were issued to rebuild portions of Manhattan. According to the *New York Daily News*, Litwin and his affiliated companies were major funders of Governor Pataki and state Republicans.^[11] Litwin's companies received \$233 million in financing under the program, which represented slightly less than one-third of the bond proceeds distributed by the state Housing Finance Authority.^[12] This Pataki-era scandal bears strong similarity to the current pay-for-play scandal occurring in Albany.



LITWIN HAS A HISTORY OF USING CREATIVE METHODS TO ENHANCE THE PROFITABILITY OF HIS DEVELOPMENT COMPANY:



This graphic is a detail of Leonard Litwin by [Jon Reznick](#)

Also, a special committee of the City Bar Association is now studying whether the manner in which the city and community groups barter for public amenities with developers has tainted the city's land-use review process.

At least two prior bribery cases have been linked to Litwin and Glenwood



The passage below, from a 1988 edition of *Newsday*, shows how creative Litwin has been in using his largess to assist his business dealings. This is a long-running theme for Litwin, who has been critiqued for his creative campaign finance practices going back to the Pataki administration.^[13]

‘Developer’s Gift Clouds Endorsement,’ By Kevin Flynn for *Newsday*, January 28, 1988

Wealthy developer Leonard Litwin has asked the Board of Estimate for zoning approvals to build a 36-story luxury housing tower in the Yorkville section of Manhattan. He has also promised a nearby community center a \$ 250,000 gift and persuaded the center to speak in his behalf at a city hearing on the tower plan.

While there is nothing illegal or secretive about the builder’s cash offer – which some view as an act of harmless beneficence – the pledge has raised anew the issue of whether such gifts are too often used to buy community support for projects that need city approval.

“This is the kind of situation that has brought us to the point where we want to unravel the murkiness of these situations,” said Martha Ritter, spokeswoman for the city Planning Commission, which has endorsed the project.

Also, a special committee of the City Bar Association is

LITWIN BENEFITED FROM PROPERTY TAX REDUCTIONS SECURED BY ALBERT SCHUSSLER, A FORMER TAX ASSESSOR WHO LED A BRIBERY SCHEME TO REDUCE TAXES FOR CITY DEVELOPERS:

The Sheldon Silver indictment appears to be the second time that Litwin has found himself a central figure in a bribery case involving property tax reductions. The first case, in 2002, involved a former tax assessor name Albert Schussler, who died of a stroke before the conclusion of his trial.^[14] Schussler was arrested in 2002, and charged with bribery, racketeering, and mail fraud, for his role as mastermind of a bribery scheme that cost New York City tax payers millions of dollars.^[15] Schussler is alleged to have paid \$10 million in bribes to former colleagues at the city's assessor's office. According to *The New York Times*, Litwin was a client of Schussler's: "Mr. Schussler's scheme indicates that some of the city's wealthiest and most powerful owners and developers — Leonard Litwin, Stephen L. Green, the late Stanley Stahl, Burton P. Resnick, Sheldon H. Solow — were multiple winners in what prosecutors have described as a tax sweepstakes."^[16]



LITWIN WAS ALLEGED TO HAVE BRIBED FORMER NEW YORK CITY COUNCILMAN ROBERT J. DRYFOOS IN 1988:

Robert J. Dryfoos, who represented the East Side of Manhattan on the New York City Council, ended a re-election campaign after an investigation into bribery, tax, and campaign finance violations became public,^[17] of which a \$25,000 check from Litwin was the centerpiece. Shortly before receiving the check, Dryfoos had spoken in favor of a Glenwood project at a planning commission hearing, describing the proposal as "in the best interest of the community."^[18] No charges were filed against Dryfoos.



TOP 50 RECIPIENTS OF GLENWOOD/LITWIN CAMPAIGN CONTRIBUTIONS, 2008-2015:

Recipient

Total

CUOMO HOCHUL 2014, INC.	\$1,214,200.00
NYS SENATE REPUBLICAN CAMPAIGN COMMITTEE	\$807,500.00
JOBS FOR NEW YORK, INC.	\$587,600.00
NEIGHBORHOOD PRESERVATION PAF	\$493,150.00
NYS SENATE REPUBLICAN CAMPAIGN COMMITTEE – HOUSEKEEPING	\$450,000.00
NEW YORK STATE DEMOCRATIC COMMITTEE	\$300,000.00
PATERSON FOR GOVERNOR, INC.	\$300,000.00
SCHNEIDERMAN 2014	\$215,000.00
DINAPOLI 2014	\$210,000.00
NYS DEMOCRATIC SENATE CAMPAIGN COMMITTEE (NYS DSCC)	\$205,000.00
NEW YORK STATE DEMOCRATIC COMMITTEE (HOUSEKEEPING)	\$200,000.00
REAL ESTATE BOARD PAC	\$175,800.00
NYS DEMOCRATIC ASSEMBLY CAMPAIGN COMMITTEE (DACC)	\$175,000.00
SUFFOLK COUNTY DEMOCRATIC COMMITTEE	\$165,000.00
INDEPENDENCE PARTY OF N.Y. CAMPAIGN ACCOUNT (NY. – NEW YORK)	\$145,000.00
WRCC 21ST CENTURY FUND	\$121,000.00
STATE CONSERVATIVE CAMPAIGN COMMITTEE	\$107,000.00
BOYLE FOR SENATE	\$105,000.00
FRIENDS OF ROB ASTORINO	\$103,059.00
MIKE RANZENHOFER FOR STATE SENATE	\$101,000.00
ERIE COUNTY REPUBLICAN COMMITTEE-FINANCE	\$100,000.00
FRIENDS FOR THE ELECTION OF DEAN SKELOS	\$100,000.00
KENNEDY FOR SENATE	\$100,000.00

NEW YORK LEAGUE OF CONSERVATION VOTERS POLITICAL ACTION COMMITTEE ((NYLCV PAC)	\$100,000.00
NIAGARA COUNTY REPUBLICAN COMMITTEE	\$100,000.00
NEW YORK REPUBLICAN STATE COMMITTEE – REPORTING	\$96,000.00
BELLONE 2011	\$90,000.00
BELLONE 2015	\$90,000.00
RSA PAC	\$86,502.50
CONSERVATIVE PARTY NYS (HEADQUARTERS ACCOUNT)	\$86,000.00
SALAND FOR SENATE	\$82,500.00
PERALTA FOR SENATE	\$81,000.00
JEFF KLEIN FOR NEW YORK	\$80,000.00
FRIENDS OF BOB COHEN	\$79,000.00
COMMITTEE TO ELECT ERIC ADAMS	\$78,500.00
NEW YORKERS FOR KLEIN	\$78,000.00
GEORGE AMEDORE FOR SENATE	\$75,000.00
FRIENDS OF MARTY GOLDEN	\$71,500.00
ZELDIN FOR SENATE	\$71,500.00
SCHNEIDERMAN FOR ATTORNEY GENERAL, INC.	\$65,000.00
NASSAU COUNTY REPUBLICAN COMMITTEE	\$64,350.00
FRIENDS OF CARL	\$64,000.00
CITIZENS COMMITTEE TO REELECT SENATOR KEN LAVALLE	\$62,500.00
FRIENDS OF KATHLEEN RICE	\$59,000.00
NVS VICTORY CAMPAIGN FUND	\$57,500.00
REPUBLICAN ASSEMBLY CAMPAIGN COMMITTEE	\$55,500.00
DONOVAN 2010	\$50,000.00

NEW YORK COUNTY DEMOCRATIC COMMITTEE	\$50,000.00
THE IDC INITIATIVE (INDEPENDENT DEMOCRATIC CONFERENCE)	\$50,000.00
COMMITTEE TO RE-ELECT JOHN SAMPSON	\$49,500.00



WHO ARE THE HEDGE CLIPPERS?

The Hedge Clippers are working to expose the mechanisms hedge funds and billionaires use to influence government and politics in order to expand their wealth, influence and power. We're exposing the collateral damage billionaire-driven politics inflicts on our communities, our climate, our economy and our democracy. We're calling out the politicians that do the dirty work billionaires demand, and we're calling on all Americans to stand up for a government and an economy that works for all of us, not just the wealthy and well-connected.

The project is supported by the Strong Economy for All Coalition, a coalition of labor unions and community groups working to fight income inequality and build shared prosperity and economic & social justice in New York and around the country.



- [1] <http://www.ibtimes.com/cuomo-officials-directed-state-loan-cuomo-donor-center-corruption-probe-1807476>
- [2] <http://therealdeal.com/blog/2015/01/22/mystery-developer-1-in-silver-case-said-to-be-glenwoods-leonard-litwin/>
- [3] http://www.nytimes.com/2014/02/03/opinion/gov-cuomos-cleanup-campaign.html?_r=0
- [4] <http://www.ibtimes.com/cuomo-officials-directed-state-loan-cuomo-donor-center-corruption-probe-1807476>
- [5] <http://www.nytimes.com/2015/01/26/nyregion/developer-who-keeps-low-profile-is-embroiled-in-silver-scandal.html>
- [6] <http://www.nytimes.com/2015/01/26/nyregion/developer-who-keeps-low-profile-is-embroiled-in-silver-scandal.html>
- [7] <http://www.capitalnewyork.com/article/albany/2014/12/8559323/states-largest-campaign-donor-client-silvers-second-firm>

- [9] http://publiccorruption.moreland.ny.gov/sites/default/files/moreland_report_final.pdf see page 3
- [10] *From Litwin's JCOPE lobbying disclosure, July-December 2014.*
- [11] <http://www.nydailynews.com/archives/news/gop-donor-liberty-haul-developer-30-bonds-article-1.595750>
- [12] <http://www.nydailynews.com/archives/news/gop-donor-liberty-haul-developer-30-bonds-article-1.595750>
- [13] <http://www.nytimes.com/2002/10/25/nyregion/wealthy-few-use-loopholes-in-law-to-give-pataki-campaign-big-sums.html>
- [14] <http://www.nytimes.com/2003/01/08/nyregion/man-at-center-of-bribe-case-dies-of-stroke.html>
- [15] http://www.nyc.gov/html/doi/downloads/pdf/pr62schussler_check_102204.pdf
- [16] <http://www.nytimes.com/2002/03/01/nyregion/clients-reel-at-indictments-in-tax-scheme.html>
- [17] <http://www.nytimes.com/1991/08/09/nyregion/in-face-of-inquiries-dryfoos-drops-re-election-effort.html>
- [18] <http://www.nytimes.com/1991/05/23/nyregion/councilman-got-25000-check-from-developer.html>
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